executing accounting to the user according to said utilized content.

7. (Twice Amended) A contents distribution system that distributes digitized contents to plural users, comprising:

a distribution device that distributes encrypted contents;

a user terminal that receives encrypted contents distributed by said distribution device, selects at least one encrypted content from the distributed encrypted contents, decodes the encrypted content using decoding information accompanying the encrypted content, the decoding information is based on a user information of the user and generates accounting information according to the utilization of said selected encrypted content; and

a central station that collects and totalizes accounting information generated by said user terminal.

REMARKS

Claims 1-15 are pending in this application. By this Amendment, claims 1 and 7 are amended. Reconsideration of the application in view of the above amendments and the following remarks is respectfully requested.

The attached Appendix includes marked-up copies of each claim (37 C.F.R. §1.121(c)(1)(ii)).

Applicants appreciate the courtesies extended to Applicants' representative during the August 26 and 27 telephonic interviews with Examiner Hayes. The points discussed are incorporated in the following remarks.

Claims 1, 5-7 and 11 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Dillon (U.S. Patent No. 5,727,065); and claims 2-4, 8-10 and 15 under 35 U.S.C. §103(a) as being unpatentable over Dillon in view of Downs (U.S. Patent No. 6,226,618 B1). Applicants respectfully traverse these rejections.

In particular, neither Dillon nor Downs, individually or in combination disclose or suggest a contents distribution method where an encrypted content is decoded using decoding information accompanying the encrypted content, the decoding information is based on a user information of the user, as recited in independent claim 1 and similarly recited in independent claim 7.

The Office Action on page 6 acknowledges that Dillon fails to disclose or suggest this feature. However, the Office Action asserts that Downs compensates for this deficiency in Dillon.

Downs discloses a content distribution and licensing control system where a content provider 101 encrypts the content 113 using an encryption symmetric key locally generated and encrypts the symmetric key 623 using the clearinghouse's 105 public key 621. The content provider 101 creates a content secure container 630 around the encrypted content 113 and a metadata secure container 620 around the encrypted symmetric key 623. The content provider 101 distributes the metadata secure container 620 to one or more electronic digital content stores 103 and the content secure container 630 to one or more content hosting sites. Each electronic digital content stores 103, in turn, creates an offer secure container 641.

After completion of the content purchase transaction between an end user device 109 and an electronic digital content store 103, the electronic digital content store 103 creates and transfers to the end user device 109 a transaction secure container. Upon receipt of the transaction secure container 640, the end user player application running on the end user device 109 solicits license authorization from the clearinghouse 105 by means of an order secure container 650. If the verifications are successful, the clearinghouse 105 decrypts the symmetric key 623 and the transaction data and bills and transfers the license secure container 660 to the end user device 109. The license secure container 660 carries the symmetric key 623 and the transaction data 642, both encrypted, using the public key 661 of

the end user device 609. After receiving the license secure container 660, the end user device 109 decrypts the symmetric key 623 and the transaction data 642 previously received from the clearinghouse 105 and requests the content secure container 630 from the content hosting site 111. Upon arrival of the content secure container 630, the end user device 109 decrypts the content 113 using the symmetric key 623.

In contrast to the claimed invention, neither Dillon or Downs disclose or suggest a contents distribution method where the encrypted content is decoded using decoding information accompanying the encrypted content, the decoding information is based on the user information of the user, as recited in independent claim 1, and similarly recited in independent claim 7.

Because Stefik also fails to compensate for any deficiencies of Dillon and Downs, Applicants submit that independent claims 1 and 7 define patentable subject matter. Claims 2-6 and 8-15 depend from the independent claims and therefore also define patentable subject matter. Accordingly, Applicants request that the rejections under 35 U.S.C. §103(a) be withdrawn.

In view of the foregoing amendments and remarks, Applicants submit that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claims 1-15 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the telephone number set forth below.

Respectfully submitted,

James A. Oliff
Registration No. 27,075

Yong S. Choi
Registration No. 43,324

JAO:YSC/lrd

Attachment:
Appendix
Petition for Extension of Time

Date: September 13, 2002

OLIFF & BERRIDGE, PLC
P.O. Box 19928
Alexandria, Virginia 22320
Telephone: (703) 836-6400

DEPOSIT ACCOUNT USE AUTHORIZATION
Please grant any extension necessary for entry;
Charge any fee due to our Deposit Account No. 15-0461

APPENDIX

Changes to Claims:

The following is a marked-up version of the amended claims 1 and 7:

1. (Twice Amended) A contents distribution method for distributing digitized contents to plural users, comprising the steps of:

encrypting and distributing contents to the plural users;

selecting by a user at least one of the encrypted content from the distributed contents;

decoding the encrypted content using decoding information accompanying the encrypted content, the decoding information is based on a user information of the user and utilizing thereof by the user; and

executing accounting to the user according to said utilized content.

7. (Twice Amended) A contents distribution system that distributes digitized contents to plural users, comprising:

a distribution device that distributes encrypted contents;

a user terminal that receives encrypted contents distributed by said distribution device, selects at least one encrypted content from the distributed encrypted contents, decodes the encrypted content using decoding information accompanying the encrypted content, the decoding information is based on a user information of the user and generates accounting information according to the utilization of said selected encrypted content; and

a central station that collects and totalizes accounting information generated by said user terminal.